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Koch-backed think tank is suing Biden's student-loan forgiveness, arguing it undermines their hiring efforts by relieving debt for public servants

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The launch of President Joe Biden's student-loan forgiveness application isn't stopping the conservative lawsuits from piling on.

On Tuesday, the Cato Institute — a libertarian think tank cofounded by Charles Koch — filed a federal lawsuit in Kansas against Biden's up to \$20,000 in debt relief announced at the end of August. Represented by the New Civil Liberties Alliance, Cato argued that this broad relief undermines hiring benefits brought on by the Public Service Loan Forgiveness (PSLF) program, which is intended to cancel student debt for government and nonprofit workers after ten years of qualifying payments.

As a nonprofit organization, Cato's case claims that canceling student debt broadly for federal borrowers would remove the appeal of PSLF and stunt recruiting efforts.

"The Constitution does not give the federal government the power to fund, guarantee, or cancel student loans. But if it's going to wield illegitimate power, it should at least do so without additional, maybe even more fundamental, violence to the rule of law," Cato President Peter Goettler said in a statement. "Allowing the executive branch to undermine the explicit policy choices of the legislative branch, as President Biden's debt-cancellation scheme plainly does, is completely beyond the pale."

Cato's press release also said that Biden's relief is an overreach of the HEROES Act, which gives the Education Secretary the ability to waive or modify student-loan balances in connection with a national emergency, like COVID-19. It's an argument other conservative groups and Republican lawmakers have used when pushing back on broad student-loan forgiveness.

This is at least the sixth major lawsuit a conservative group has filed attempting to halt the debt cancellation process. It's also similar to a still-pending lawsuit filed by Arizona's attorney general, who claimed the relief would harm the state by limiting recruiting benefits from PSLF. While a judge has struck down at least two of the other cases, borrowers are still awaiting a decision from a federal judge who heard oral arguments last week from six Republican-led states who claimed debt relief would hurt their states' tax revenues, among other things.

Biden and his administration remain adamant they have the standing to carry out this debt relief. On Monday, they officially launched the student-loan forgiveness application and will begin processing borrowers' forms, and Education Secretary Miguel Cardona recently said "we're gonna persevere here, and these lawsuits are not going to stop us."

The administration has not yet commented on Cato's suit and recommends borrowers continue to apply for debt relief before payments resume early next year.